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RUEHBR/AMEMBASSY BRASILIA 1694
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RUEHSG/AMEMBASSY SANTIAGO 2336
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UNCLAS SECTION 01 OF 02 PORT AU PRINCE 001784

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SUBJECT: CODEL BINGAMAN MEETING WITH PRESIDENT PREVAL

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¶1. (U) This message is sensitive but unclassified. Please handle accordingly.

Summary

¶2. (SBU) Senators Bingaman, Harkin and Corker and several staffers met with Haitian President Rene Preval October 26 and reviewed Haiti,s main development and assistance priorities. The President highlighted Haiti,s priority needs as security, anti-corruption, broader economic development, education, and energy infrastructure. The Senators placed special emphasis on Haiti,s need for more teachers and offered ideas on how the U.S. could help. The President,s economic advisor argued for a restructuring of HOPE (Haitian Hemispheric Partnership Through Partnership Encouragement) legislation to give Haiti more flexibility on knitted fabrics. End summary.

Haiti,s Priorities

¶3. (SBU) The Ambassador accompanied the Senators. Also in the meeting were staffers Chris Stone (Bingaman), Rosemary Gutierrez (Harkin), Anne Oswalt (Corker), and Scott Miller (Energy Committee), and PolCouns Bosshart (notetaker). Also participating on the Haitian side were Prime Minister Jacques Edouard Alexis and Presidential adviser Gabriel Verret. Senator Bingaman stated that the U.S. was looking for ways to assist in stabilizing Haiti, and asked the President which areas he recommended. After highlighting the U.S. as the largest donor country in Haiti, Preval pointed out that the HOPE Act had created 3,000 jobs in Haiti, although it needed some "adjustments." Preval then noted the primacy of security for Haiti. The UN in Haiti has created conditions of security and stability. Drug trafficking, however, remained as a threat to that stability. This type of crime thrived wherever there was a weak justice system, police, and government. Haiti,s priority was therefore to strengthen the police and justice system. Haiti,s second priority was the prosecution of corruption and smuggling. Eliminating bribes would level the playing field for investors and

increase government revenues from 7 percent to 15 percent of GDP. With these programs in place, Haiti would aim to revive the economy over the next three years. To help the economy, Haiti would also have to make it easier to set up a business by setting up a "one-stop shopping" approach.

Energy

14. (SBU) Senator Bingaman asked how the U.S. might help address Haiti's lack of a developed electrical energy system as well as deforestation caused by peasants, clearing trees to make charcoal. The President replied that the country had to expand generation capacity. Currently, there was 200 MW of electricity available for the capital Port-au-Prince in the face of a 2,000 MW demand. The private sector hesitated to invest in power generation because of the difficulty in recovering costs (Note: payment discipline among Haiti's retail energy consumers is very lax. End note.) Haiti's national electricity company had a loss rate of 50 percent. Most consumers were too poor to pay. Haiti had to reduce losses as well as generation costs. Haiti was converting fossil fuel generating plants to run on a heavy type of diesel or fuel oil that could not be used in automobiles or trucks and that therefore was not vulnerable to pilferage. Another approach was to allow neighborhoods to manage their electricity bill payments block by block.

Education

15. (SBU) Senator Harkin proposed that Haiti and the U.S. embark on a unique bilateral program on education. The senator suggested a numbers of areas of possible cooperation: teacher training, education infrastructure, helping with teachers, pay, curriculum building, and establishing school

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districts. The U.S. Department of Education might set up something like an "Education Peace Corps" for work with Haiti. The President agreed that there could be no development without education. Education had been his sole campaign promise. A firm U.S.-Haiti focus on education could potentially solve the problem. Haiti had half a million school-age children who were not in school. Putting them all in school with one meal a day would drastically change the situation. Senator Corker recalled his sojourn in Haiti 25 years ago during which he had helped build a school.

16. (SBU) Presidential adviser Gabriel Verret illustrated the teacher shortage by pointing to the example of Kenya, which had quickly expanded the number of children in school but quickly bumped into a ceiling of teachers. Haiti had fewer than 50,000 teachers and 500,000 school-age children not in school. Haiti could not produce teachers fast enough. Verret proposed tapping Haitian-Americans, who could be induced to spend one-two years teaching in their country of origin. A "Teach for Haiti" program might effectively mobilize Haiti's diaspora. Senator Bingaman proposed establishing teacher training programs in Haiti with U.S. help. Senator Harkin observed that all Haitian teachers would not necessarily need college degrees to teach primary school-aged children.

The Economy

17. (SBU) Senator Corker asked about the President's overall national priorities. Preval listed them as security, fighting corruption, and then making registration of businesses easier by introducing "one-stop shopping." Haiti needed an investment protection law, more reliable electricity, and smoother, cheaper port procedures. Haiti currently had one of the most expensive ports in the region. Preval expressed a concern that Haiti avoid the pattern now observed in the Dominican Republic of a fast-growing economy

(8-10 percent) accompanied by growing poverty. Stability in Haiti was also a function of the gap between rich and poor. Presidential adviser Verret stated that Haiti needed a lot of job creation in a hurry. The formal sector employed only 250,000 people out of 4 million working-age adults. Haiti needed investment fast. The HOPE program had created approximately 3,500 jobs in a few months, but left Haiti very little flexibility on knitted fabrics, where it could compete, but lots of room on woven fabrics, where Haiti was not a player. Haiti was hoping for a "HOPE II" that would address these shortcomings.

18. (U) Delegation has cleared this cable.

TIGHE